Saskatchewan
Finance

Annual Report 1998-99

The Members of The Legislative Assembly Superannuation Plan

100-04509/

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Saskatchewan
Finance

His Honour, The Honourable J. E. N. Wiebe, KStJ
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Sir:

Letter of Transmittal

I have the honour to transmit herewith the Annual Report of the Members of the Legislative Assembly Superannuation Plan for the year ending March 31, 1999.

I have the honour to be, Sir,

Your obedient servant,

Eric Cline
Minister in Charge

BACKGROUND

The Members of the Legislative Assembly Superannuation Plan was created to provide a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

The Plan is comprised of two pension plans: a Defined Benefit (formula) Plan for members who were first elected prior to April 1, 1979, and a Defined Contribution Plan for those members first elected on or after April 1, 1979.

Members of the Defined Benefit Plan may elect to transfer to the Defined Contribution Plan at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which they ceased to be members.

OPERATION OF THE PLAN

The Plan is credited with contributions and interest paid by members and former members, interest earned and any other revenue accruing from the investment of monies in the Plan, and such amounts paid by the Minister of Finance as may be required to make it possible at all times to pay the allowances granted pursuant to *The Members of the Legislative Assembly Superannuation Act*. Payments are made out of the Plan for pensions, annuities, supplementary allowances and refunds of contributions. As a matter of course, the acquisition and disposition of the various assets of the Plan results in the payment of monies out of and receipt of monies into the Plan.

CONTRIBUTIONS

Members are required to contribute 9% of their indemnity and expense allowance to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions and is required by the Act to make certain additional contributions to the Plan.

Contributions by members for the year ended March 31, 1999 totalled $387,341. In 1998-99, there was 1 contributor to the Defined Benefit Plan and 54 contributors to the Defined Contribution Plan.

PENSIONS

The Plan paid pensions to 119 former members and spouses of former members throughout the year. Pensions under the Defined Benefit Plan were based on a formula which included years of service and an average salary figure for some portion of that service. Pensions under the Defined Contribution Plan were provided in the form of a life annuity purchased with the amount standing to the member's credit in the Plan at retirement. Pensions may also have included a supplementary allowance paid in accordance with the Act. Pensions for the year totalled $2,241,794.

INVESTMENT OF FUNDS

The Minister of Finance is responsible for holding in trust and investing the monies in the Plan. The Minister has retained Greystone Capital Management Inc. to be the investment manager.

The investment managers make the day to day decision of whether to buy or sell specific investments in order to achieve the long term investment performance objectives set by the Minister. It is these long term investment performance objectives that are used to assess the performance of the investment managers.

The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio constructed as follows:

Asset Class	Market Index	Weight
Canadian Equities	Toronto Stock Exchange 300 Index	35%
US Equities	Standard & Poors 500 US Stock Index	10%
Bonds	ScotiaMcLeod Universe Bond Index	45%
Short Term Inv.	91 Day Canadian Treasury Bills	5%
Non-North Amer	EAFE	5%
Total:		100%

On behalf of the Minister, the Public Employees Benefits Agency reviews the investment performance of the fund in terms of the performance of the benchmark portfolio over rolling 4 year periods. For the four years ending March 31, 1999 the fund had an annualized gross rate of return of 15.8%. The investment objective (the return of the benchmark portfolio) was 14.2%.

The Minister has retained Royal Trust as the custodian of the Plan. The custodian is responsible for custody of all financial assets of the Fund (in the name of the Members of the Legislative Assembly Superannuation Plan). The custodian settles all investment transactions. The custodian also ensures that investment income (ie. dividends, interest) is collected and provides financial statements for all investment transactions.

The Public Employees Benefits Agency engages the services of an asset consultant to provide advice on the overall management of the Plan's investments and on the measurement of the Plan's performance. James P. Marshall, Inc. provides this service.

CASH FLOW FORECAST

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The total cash outflows is the amount required to pay all pension obligations. Forecast of cash inflows and outflows have been determined using the following long term assumptions:

Interest rate	7.5%	
Inflation	4.5%	
Ad hoc increases	90%	of CPI

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2025. Cash inflows data has been provided by the Public Employees Benefits Agency. Estimates based on current contributions and 1.36% increase per year to the year 2000 when the contribution will be capped.

Year	Cash Inflows (000's)	Cash Outflows (000's)	Cash Required (000's)
1999	$ 9	$ 1,999	$ 1,990
2000	2	2,026	2,024
2001	0	2,048	2,048
2002	0	2,066	2,066
2003	0	2,080	2,080
Total within 5 yrs	11	10,219	10,208
Total 5-10 yrs	-	10,428	10,428
Total 11-27 yrs	-	28,501	28,501

ADMINISTRATION

Expenses of administering the Saskatchewan Legislative Assembly Members Superannuation Plan are charged to the Plan.

Administration of the plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance.

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements which follow have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Plan.

The present value of annuities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been examined by the Provincial Auditor whose report follows.

Brian Smith
Executive Director
Public Employees Benefits Agency

Kent Walde
Director of Pension Programs
Public Employees Benefits Agency

Regina, Saskatchewan
July 13, 1999

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 1999

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the statement of net assets available for benefits of the Members of the Legislative Assembly Superannuation Plan as at March 31, 1999 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at March 31, 1999 and the changes in the net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelioff

Regina, Saskatchewan
July 13, 1999

Wayne Strelioff, CA
Provincial Auditor

STATEMENT 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT MARCH 31

				1999	1998
	Defined Benefits	**Defined Contributions**	**Annuities**	**Total**	**Total**
ASSETS					
Investments (Note 3 & Schedule 1)					
Short term	$ -	$ 1,264,974	$ 148,509	$ 1,413,483	$ 1,038,533
Bonds and debentures	-	8,262,449	970,018	9,232,467	9,276,612
Equities	-	6,119,449	718,428	6,837,877	8,629,821
Pooled Funds	-	1,685,741	197,907	1,883,648	1,019,293
	-	17,332,613	2,034,862	19,367,475	19,964,259
Receivables					
Members' contributions	767	33,080	-	33,847	31,539
Minister of Finance contributions - General Revenue Fund	-	276,113	18,742	294,855	107,187
Accrued investment income	-	140,411	16,484	156,895	168,957
Other	4,379	-	-	4,379	4,708
	5,146	449,604	35,226	489,976	312,391
Cash	-	4,447	523	4,970	88,051
Due from General Revenue Fund (Note 9)	-	-	-	-	51,042
Total assets	5,146	17,786,664	2,070,611	19,862,421	20,415,743
LIABILITIES					
Accumulated provision for annuities payable (Note 7)	-	-	1,907,000	1,907,000	1,919,000
Due to General Revenue Fund (Note 9)	-	39,554	4,644	44,198	-
Accounts payable	5,146	16,217	1,994	23,357	14,093
Total liabilities	5,146	55,771	1,913,638	1,974,555	1,933,093
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	$ -	$17,730,893	$ 156,973	$17,887,866	$18,482,650

See accompanying notes to the financial statements.

STATEMENT 2

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31

	1999				1998
	Defined Benefits	Defined Contributions	Annuities	Total	Total
INCREASE IN ASSETS					
Investment income					
Interest	$ -	$ 571,575	$ 67,103	$ 638,678	$ 604,712
Dividends	-	124,656	14,635	139,291	171,669
	-	696,231	81,738	777,969	776,381
Current period change in market values of investments	-	72,340	8,493	80,833	3,524,144
Contributions					
Members'	9,206	378,135	-	387,341	377,758
Minister of Finance - General Revenue Fund	2,143,883	439,415	-	2,583,298	2,495,306
	2,153,089	817,550	-	2,970,639	2,873,064
Total increase in assets	2,153,089	1,586,121	90,231	3,829,441	7,173,589
DECREASE IN ASSETS					
Annual allowances	2,067,739	-	174,055	2,241,794	2,178,237
Administrative expenses (Note 8)	84,810	15,204	3,103	103,117	87,704
Change in provision for annuities payable (Note 7)	-	-	(12,000)	(12,000)	(2,000)
Equity transfers out	-	2,091,314	-	2,091,314	230,025
Total decrease in assets	2,152,549	2,106,518	165,158	4,424,225	2,493,966
Increase (decrease) in net assets	540	(520,397)	(74,927)	(594,784)	4,679,623
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	(540)	18,251,290	231,900	18,482,650	13,803,027
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR-to Statement 1	$ -	$17,730,893	$156,973	$17,887,866	$18,482,650

See accompanying notes to the financial statements.

MARCH 31, 1999

1. Description of Plan

a) General

The Members of the Legislative Assembly Superannuation Plan (Plan) was established under *The Members of the Legislative Assembly Superannuation Act, 1979* (Act) to provide pensions to individuals who are elected as Members of the Legislative Assembly of the Province of Saskatchewan.

The Plan has a defined benefit component, a defined contribution component and annuity underwriting activities.

The defined benefit component consists of members who were first elected prior to April 1, 1979 and who did not elect to join the defined contribution component. These members have their superannuation allowance determined by a formula. Members first elected on or after April 1, 1979 participate in the defined contribution component. Members of the defined contribution component may elect to purchase an annuity from the Plan. The annuity underwriting activities are accounted separately within the Plan.

The Act also established the Members of the Legislative Assembly Superannuation Fund to accumulate all member contributions, investment earnings, and payments received from the General Revenue Fund.

Pensions, annuities, supplementary allowances, refunds and interest are paid out of the Fund.

Details of the Plan are contained in the Act.

b) Administration

The Minister of Finance is responsible for the Act. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members are required to contribute 9% of their indemnity, and expense allowances to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions, and is required to make certain additional contributions to the Plan pursuant to the Act. As there are minimal assets associated with the defined benefit component, it is effectively financed through contributions from the General Revenue Fund.

d) Retirement

Members may retire as early as age 50.

The annual allowance payable to members of the defined benefit component is one twenty-fifth of the member's average indemnity multiplied by the member's years of pensionable service. Members with additional responsibilities receive an additional allowance of one thirty-fifth of the member's average additional allowance multiplied by the member's years of pensionable service. Both average indemnity and average additional allowance are determined with reference to the highest four consecutive years of indemnity or additional allowance. An annual allowance shall not exceed 70% of that member's average annual indemnity and average additional allowance.

Members participating in the defined contribution component may elect to purchase a life annuity provided by the amount standing to the member's credit in the Plan. The member may elect to purchase an annuity from the Plan or from a private company that sells annuities.

e) **Inter-Plan Transfers**

Members of the defined benefit component may elect to transfer to the defined contribution component at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which they ceased to be members.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following policies are considered significant.

a) **Accrual Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting.

b) **Basis of Presentation**

Assets of the Plan are commingled for investment purposes. The defined contribution component is segregated by separating the annuity activity from the accounts of members who have not yet purchased annuities. For reporting purposes, the assets and investment income are allocated between the defined contribution component and the annuity activity based on their proportionate market value of the investment portfolio.

c) **Investments**

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Pooled funds are recorded based on the quoted market price of underlying investments, normally the current bid price.

The change in market value of investments during the year is reflected on the financial statements as a current period change in the market value of investments.

Short term investments are recorded at cost which approximates market value.

Fair value approximates market value of investments.

d) **Accumulated Provision for Annuities Payable**

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the plan and is determined pursuant to an actuarial valuation. Any change in the

liability pursuant to the valuation is recognized as an increase or decrease in that year's statement of changes in net assets available for benefits.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian equities, pooled funds, money market securities and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate change on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets are affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Canadian Bond Rating Service.

Short Term Investments

Short term investments are comprised of T-Bills and notes with effective rates of 4.70% to 4.90% (1998 - 4.40% to 4.80%) and an average remaining term to maturity of 90 (1998 - 31) days. The plan's investment policy states that investments must meet a minimum investment standard for Canadian Federal, Provincial Government and corporate securities of "R1" and for Canadian grain companies an "R2 high" rating, as rated by a recognized credit rating service. Other than the Province of Saskatchewan, no single issue represents more than 55.73% (1998 - 43.01%) of the market value of the short term investment portfolio.

Bonds and Debentures

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 9% of the cost of the total portfolio may be invested in BBB rated bonds.

At March 31, 1999 the Plan held 0.81% (1998 - 1.81%) of its portfolio in BBB bonds.

(in thousands of dollars)

	1999						1998		
Years to Maturity	**Federal**	**Provincial**	**Corporate**	**Total Market Value**	**Yield to Maturity at Market**	**Coupon Rate**	**Total Market Value**	**Yield to Maturity at Market**	**Coupon Rate**
Under 5	2,636	584	731	3,951	5.35%	4.50-8.00	3,464	6.85%	4.88-9.88
5 - 10	603	778	480	1,861	4.30%	5.50-8.75	2,613	6.83%	5.95-8.38
Over 10	2,412	802	207	3,421	5.18%	5.50-7.90	3,200	7.19%	5.50-10.25
Market Value	5,651	2,164	1,418	9,233			9,277		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related equity portfolio. No one holding in the equity portfolio should represent more than 10% of the common stock in any corporation. Foreign equities represent 22.58% (1998 - 24.85%) of the market value of the equity portfolio. All foreign equities are denominated in Canadian dollars. Dividends are generally declared on an annual basis. The average effective rate is 2.32% (1998 - 3.16%).

Pooled Funds

The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the fund manager.

Foreign equities including foreign pooled funds are limited to 20% of the cost of the investment portfolio and are denominated in Canadian dollars. The pooled funds are comprised of holdings in Greystone Non-North American Fund $1,690,027 (1998 - $812,000) and Greystone Emerging Markets Fund $193,621 (1998 - $207,000).

4. Earnings Allocation to Members - Defined Contribution Component

Investment income and the current year's allocation of the change in the market values of investments is allocated annually to the individual member's account balances in accordance with the provisions of the governing legislation. In 1999, the interest rate was 4.32% (1998 - 31.41%).

5. Statutory Reporting Requirements

In accordance with section 42 of the Act, the following information is provided:

		1999	1998
Contributors to the Plan:	defined benefit	1	1
	defined contribution	54	56

During the year 119 superannuates and spouses received allowances (1998 - 123).

6. Obligations for Pension Benefits - Defined Benefit Component

The present value of accrued pension benefits was determined using the projected benefit method prorated on service and the best estimate assumptions approved by the Public Employees Benefits Agency. An actuarial valuation was performed as at December 31, 1998 by AON Consulting Inc. and an extrapolation was made to March 31, 1999. The comparative figures for 1998 were determined from an extrapolation of the actuarial valuation as at December 31, 1995 performed by AON Consulting Inc.

The actuarial present value of benefits at March 31 and the principal components of changes in actuarial present values during the year, were as follows:

	(in thousands of dollars) 1999	1998 (Restated)
Actuarial present value of accrued pension benefits at beginning of the year	$26,844	$26,830
Interest accrued on benefits	1,940	1,940
Change in valuation assumptions	1,060	-
Benefits accrued	106	99
Benefits paid	(2,068)	(2,025)
Actuarial present value of accrued pension benefits at end of the year	27,882	26,844
Less: Net assets available for benefits	-	-
Unfunded liability	$27,882	$26,844

The 1998 financial statements reported an actuarial present value of accrued pension benefits of $28,903,000. The indexation for accrued benefits was incorrectly calculated in the 1998 extrapolation. This calculation has now been corrected. As a result, the present value of accrued pension benefits for 1998 has been decreased by $2,059,000.

The significant long term assumptions used in determining the actuarial value of accrued pension benefits are:

Interest rate	7.5%
Salary escalation rate	4.5%
Inflation rate	4.5%

Section 25.1 of the Act provides for a supplementary monthly allowance effective July 1 if persons in receipt of allowances under *The Superannuation (Supplementary Provisions) Act* are awarded additional supplementary allowances in the year. The increase is a dollar amount to each superannuate of the Members of the Legislative Assembly defined benefit component equal to one-sixth of the pensionable service of the member multiplied by the sum of their pensionable service and years in receipt of pension.

The actuarial present value of accrued pension benefits contains a provision for ad hoc increases which are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 100% (1998 - 90%) of CPI based on previous years' experience.

The pension liability is based on a number of assumptions about future events including: rate of salary increase, interest, inflation, ad hoc indexing, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The following illustrates the effect of changing certain assumptions from the assumed rates of inflation 4.5%, salary 4.5% and interest rate 7.5%:

	Long-term Assumptions					
	Salary		Interest		Inflation	
	3.5%	5.5%	6.5%	8.5%	3.5%	5.5%
Liability (decrease) increase	(.05%)	.05%	10.53%	(8.88%)	.27%	(.26%)

The pension liability is long term in nature. The plan has no intention of settling its pension obligation in the near term and there is no market for settling its pension obligations. Therefore, determination of the fair value of the pension liability is not practical.

The unfunded liability for the defined benefit component of the Plan is not payable immediately. The expected cash inflows from contributions and the expected cash outflows to pay the required pension obligation are calculated using the above assumptions. The net cash outflows for the next five years would be $10.2 million, in the next 10 years $20.6 million and in the next 27 years $49.1 million.

Paragraph 4(1)(c) of the Act indicates if there are insufficient monies in the Fund to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

7. Accumulated Provision for Annuities Payable

An actuarial valuation was performed on the annuity activity as at March 31, 1999 by AON Consulting Inc. The valuation represents the present value of the annuities underwritten by the Plan.

The interest rate assumptions were made based on the initial interest rate used to determine the amount of each annuity for the first 15 years of the annuity and 6% thereafter. The weighted average interest rate for annuities in 1999 was 8.95%. Also, 80% of the 1983 Group Annuity Mortality Table was used.

The annuity payable is based on assumptions about future events including interest and mortality rates. The actual rates may vary significantly from the assumptions used. It is reasonably possible, based on existing assumptions, that changes in future conditions in the near term could require a material change in the annuity payable.

The accumulated provision for annuities payable is long term in nature. The Plan has no intention of settling it in the near term. Therefore, determination of the fair value of the accumulated provision for annuities payable is not practical.

8. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. These financial statements include transactions with these agencies and the Plan, a pension plan established by the Government of Saskatchewan. Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

a) **Administration**

The annual operating expenditures associated with the Plan's administration are paid to the Public Employees Benefits Agency Revolving Fund except for custodial fees and investment management fees which are paid directly. Custodial and investment management fees are based on market value of the Fund's portfolio.

	1999		1998	
	Budget	**Actual**	**Budget**	**Actual**
Administration cost - PEBA	$51,770	$ 52,216	$43,962	$45,190
Custodian fees - Royal Trust	-	24,813	-	18,280
Investment management fees - Greystone Capital Management Inc.	-	26,088	-	24,234
	$51,770	$103,117	$43,962	$87,704

b) **Investment Management Services**

The Minister of Finance is authorized to invest any part of the monies standing to the credit of the Plan in any securities authorized for investment pursuant to *The Pension Benefits Act, 1992*.

Greystone Capital Management Inc. (GCMI) invests the monies of the Plan under a contract to provide services. The Plan is a shareholder in GCMI along with several other Saskatchewan public sector pension plans and government agencies. The Plan pays management fees to GCMI.

The Plan holds 2,618 common shares, 0.28% of total shares outstanding in GCMI (1998 - 100 Class A shares and 2,464 Class B shares). During the year the Class A and Class B shares were converted to common shares.

c) **Investment Holdings**

Included in Bonds and Debentures and investment income are Province of Saskatchewan holdings totalling $205,452 (1998 - $153,589) for bonds and debentures and investment income earned and market value adjustment of $13,306 (1998 - $6,609). The weighted average interest rate is 5.50% (1998 - 8.46%)

The Fund holds 118,201 (1998 - 63,167) units, 0.27% of total units outstanding in the Greystone Capital Management Non-North American Fund. The market value of the units is $1,690,027 and income earned and market value adjustment for these units totalled $135,822. The Greystone Capital Management Non-North American Fund, managed by GCMI, is an investment fund investing in foreign markets.

The Fund holds 23,633 (1998 - 20,584) units, 0.23% of the total units outstanding in the Greystone Capital Management Emerging Markets Fund. The market value of the units is $193,621. Income earned and the market value adjustment for these units totalled $(35,267). The Greystone Capital Management Emerging Markets Fund, managed by GCMI, is an investment fund investing in foreign emerging markets.

The unit holders of the Greystone Capital Management Non-North American Fund and the Greystone Capital Management Emerging Markets Fund are several Government of Saskatchewan public sector pension plans and other Government of Saskatchewan agencies.

Account balances resulting from the above transactions are included in the statement of net assets available for benefits and are settled on normal trade terms. Other transactions are disclosed separately in these financial statements.

9. Due From General Revenue Fund

The Plan's bank account has been included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest totalled $6,881 (1998 - $3,334) and is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty-day borrowing rate and the Plan's average daily bank account balance. The Government's average thirty-day borrowing rate for 1998/99 is 5%.

10. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long term performance objectives set by the Minister. The Public Employees Benefits Agency reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	1999	Rolling Four-Year Average Annual Return
Plan's actual rate of return (a)	4.6%	15.8%
Target rate of return (b)	2.8%	14.2%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Standard and Poor's 500 Stock Index and the Scotia Capital Markets Universe Bond Index.

11. Fair Value

The fair value of receivables, due from General Revenue Fund, cash, due to General Revenue Fund and accounts payable approximates their carrying value due to the short term nature of these financial instruments.

12. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date.

The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

13. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

SCHEDULE 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT TRANSACTIONS

FOR THE YEAR ENDED MARCH 31

Investments at Market	Balance March 31, 1998	Acquisitions	Dispositions	Balance Before Change In Market Value	Market Value Change	Balance March 31, 1999
Bonds and Debentures:	$ 9,276,612	$28,437,962	$28,527,456	$ 9,187,118	$ 45,349	$ 9,232,467
Equities:						
Greystone Capital Management Inc. Class A	100	-	100	-	-	-
Greystone Capital Management Inc. Class B	3,596	198	3,177	617	(617)	-
Greystone Common shares	-	3,159	-	3,159	-	3,159
Canadian Corporate Equities	6,481,749	1,693,369	2,777,936	5,397,182	(532,014)	4,865,168
Foreign Corporate Equities	2,144,376	355,004	1,026,984	1,472,396	497,154	1,969,550
Total Equities	8,629,821	2,051,730	3,808,197	6,873,354	(35,477)	6,837,877
Pooled Funds:						
Greystone - Emerging Markets Fund	207,088	93,731	69,300	231,519	(37,898)	193,621
Greystone - Non-North American Fund	812,205	898,961	130,000	1,581,166	108,861	1,690,027
Total Pooled Funds	1,019,293	992,692	199,300	1,812,685	70,963	1,883,648
Total Long Term Investments	18,925,726	31,482,384	32,534,953	17,873,157	80.835	17,953,992
Short Term Investments	1,038,533	14,666,747	14,291,794	1,413,486	(3)	1,413,483
Total Investments	$19,964,259	$46,149,131	$46,826,747	$ 19,286,643	$ 80,832	$19,367,475